

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 146366

16

ORIGIN AF-18

INFO OCT-01 ADP-00 EUR-25 AGR-20 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15

STR-08 CEA-02 /172 R

DRAFTED BY AF/EPS:RLOMBARDI:AG

07/25/73 EXT. 21381

APPROVED BY AF/EPS:GKENNEY

AF/C:JHALL (DRAFT)

EB/IFD/OMA:JCHEATHAM (DRAFT)

----- 057667

R 252154Z JUL 73

FM SECSTATE WASHDC

TO AMEMBASSY TANANARIVE

LIMITED OFFICIAL USE STATE 146366

E.O. 11652: N/A

TAGS: EFIN, MA

SUBJECT: INFORMATION ON EXCHANGE RATE POLICIES OF OTHER
DEVELOPING COUNTRIES

REF : TANANARIVE 933, 976, 988

1. OTHER DEVELOPING COUNTRIES HAVE EITHER TIED THEIR CURRENCIES TO THE DOLLAR (OR TO A EUROPEAN CURRENCY) OR ARE PERMITTING THEIR CURRENCIES TO FLOAT. MOST ARE TYING THEIR CURRENCIES TO THOSE OF PRINCIPAL TRADING PARTNERS SINCE THIS OFTEN HELPS TO STABILIZE BOTH IMPORT AND EXPORT PRICES IN THEIR OWN CURRENCIES AND THE VALUE OF THEIR FOREIGN CURRENCY RESERVES.

2. ALTHOUGH THE MALAGASY REPUBLIC IS NO LONGER IN THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 146366

FRANC ZONE IT APPEARS THAT THE MALAGASY FRANC IS CLOSELY

ALIGNED WITH FRENCH FRANC. MORE THAN HALF OF MALAGASY IMPORTS ARE FROM FRANCE AND ALMOST HALF OF HER EXPORTS GO TO FRANCE. HOWEVER, SINCE MALAGASY EXPORTS MOSTLY AGRICULTURAL COMMODITIES, THE PRICES OF WHICH ARE LARGELY DETERMINED BY WORLD MARKET CONDITIONS, THE MALAGASY CURRENCY'S CLOSENESS TO THE FRANC IS PROBABLY NOT VERY EFFECTIVE IN STABILIZING THE MONETARY EARNINGS OF PRODUCERS OF THESE COMMODITIES.

3. SINCE USG HAS NO DESIRE TO BECOME INVOLVED IN INFLUENCING VANILLA PRICES, WE BELIEVE MALAGASY GOVERNMENT'S BEST APPROACH WOULD BE DIRECTLY TO MAJOR IMPORTERS, WHO ARE FEW IN NUMBER AND WELL-KNOWN TO THEM.

4. YOU MAY WISH TO MENTION THAT MALAGASY VANILLA COMPETES NOT ONLY WITH OTHER PRODUCERS' NATURAL PRODUCT BUT ALSO WITH SYNTHETIC FLAVORINGS SUCH AS VANILLIN. PRICE INCREASES COULD CONCEIVABLY LOSE TRADITIONAL MARKETS PERMANENTLY TO SYNTHETIC SUBSTITUTES.

ROGERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: worrelsw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE146366
Document Source: CORE
Document Unique ID: 00
Drafter: RLOMBARDI:AG
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730711/aaaaahry.tel
Line Count: 81
Locator: TEXT ON-LINE
Office: ORIGIN AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 TANANARIVE 933, 976, 988
Review Action: RELEASED, APPROVED
Review Authority: worrelsw
Review Comment: n/a
Review Content Flags:
Review Date: 09 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09-Jan-2002 by martinjw>; APPROVED <26 FEB 2002 by worrelsw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INFORMATION ON EXCHANGE RATE POLICIES OF OTHER DEVELOPING COUNTRIES
TAGS: EFIN, MA
To: TANANARIVE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005